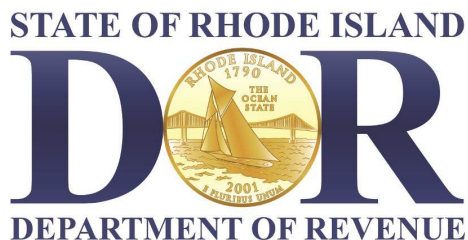


STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE



Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report
FY 2027 Monthly and Year-to-Date as of August 2026

The monthly revenue assessment report compares adjusted revenues, on a monthly and fiscal year-to-date basis, to the Office of Revenue Analysis' (ORA) monthly and fiscal year-to-date (YTD) estimates of expected revenues based on the current fiscal year revenue estimates. It should be noted that the fiscal year revenue estimates will vary over the course of the fiscal year as the Revenue Estimating Conference (REC) convenes and modifies the fiscal year revenue estimates as enacted by the General Assembly.

This monthly revenue assessment report compares adjusted revenues to expected revenues based on the revenue estimates enacted in the FY 2027 budget, which was signed into law on June 12, 2026.

Results for FY 2027 Revenues through August

ORA finds that FY 2027 adjusted total general revenues through August were above the enacted FY 2027 expected total general revenue estimates through August by \$28.7 million, a variance of 3.8%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$3.8 million less than expected, a variance of -1.3%. This is largely due to refunds and adjustments being ahead of the estimates by \$22.4 million, which is a negative nominal amount. This negative variance in refunds is concentrated in July and likely relates to the processing of tax year 2025 tax returns. Offsetting this is an increase in withholding payments, which are ahead of estimates by \$19.4 million. On a cash basis, withholding payments increased by 14.1% in FY 2027 compared to FY 2026.
- Combined, business taxes exceeded estimates by \$11.6 million. Public utilities gross premiums tax, financial institutions tax, and health care provider assessment exceeded the estimates by \$6.0 million, \$4.7 million, and \$1.0 million, respectively.

- Sales and use tax overperformed the estimate by \$16.5 million, a variance of 5.2%. On a cash basis, sales and use tax increased by 9.1% in FY 2027 compared to FY 2026.
- Estate and transfer tax was behind the estimate by \$1.5 million, a variance of -9.6%.
- Departmental receipts exceeded estimates by \$2.9 million, or 8.7%.
- Revenue from lottery was ahead of the estimate by \$2.2 million, or 6.1%, due to strong performance in video terminals, online sports betting, and iGaming.

Results for Month of August

ORA finds that August 2026 adjusted total general revenues were above the enacted monthly total general revenue estimates for August by \$14.8 million, a variance of 3.7%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$9.3 million more than expected, a variance of 6.2%. This is largely due to withholding payments being ahead of the estimates by \$10.9 million. On a cash basis, withholding payments increased by 19.2% in August 2026 compared to August 2025. Offsetting this is a decrease in final payments of \$1.3 million.
- Business corporation tax exceeded the estimates by \$5.7 million or 306.3%.
- Sales and use tax overperformed the estimate by \$2.8 million, a variance of 1.8%. On a cash basis, sales and use tax increased by 4.5% in August 2026 compared to August 2025.
- Estate and transfer tax was behind the estimate by \$5.4 million, a variance of -61.7%. Estate and transfer tax is a volatile revenue stream.
- Revenue from lottery was ahead of the estimate by \$2.2 million, or 6.1%, due to strong performance in video terminals, online sports betting, and iGaming.

How to Read this Report

Following this summary is a table showing the variance for year-to-date by revenue stream. The next page displays a chart showing the year-to-date variance. An appendix to this report contains two sections. One section discusses the expected share of revenue for this month and the next contains the total enacted revenue estimates for this fiscal year.



Jane E. Cole
Interim Director
Department of Revenue
September 18, 2026

FY 2027 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Year-to-Date Estimate to Actual

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	YTD August Adjusted Revenues FY 2027			YTD August Estimate of Enacted FY 2027 Revenues †			Difference	Variance
Personal Income Tax	\$	291,492,957	a, b, c	\$	295,249,447		\$ (3,756,490)	-1.3%
General Business Taxes								
Business Corporation †		13,895,981	a, b, c		13,564,778		331,204	2.4%
Public Utilities Gross Earnings		6,062,406			35,432		6,026,974	17,010.0%
Financial Institutions †		4,785,457	a		74,663		4,710,794	6,309.4%
Insurance Company Gross Premiums †		1,088,305	c		1,500,493		(412,188)	-27.5%
Bank Deposits		(1,785)			45,549		(47,334)	-103.9%
Health Care Provider Assessment		9,606,276			8,578,657		1,027,620	12.0%
Excise Taxes								
Sales and Use †		334,962,456	a, c		318,418,109		16,544,347	5.2%
Cigarettes, OTP, and ENDS †		21,205,388	a		20,288,837		916,552	4.5%
Alcohol		4,223,038			3,828,570		394,468	10.3%
Controlled Substances		-			-	+	-	n/a
Other Taxes								
Estate and Transfer		14,373,075			15,906,034		(1,532,959)	-9.6%
Racing and Athletics		115,003			123,562		(8,559)	-6.9%
Realty Transfer		7,216,352			7,786,518		(570,166)	-7.3%
Total Taxes	\$	709,024,909		\$	685,400,646		\$ 23,624,263	3.4%
Departmental Receipts †	\$	36,112,837	a, d	\$	33,213,222		\$ 2,899,615	8.7%
Taxes and Departmentals	\$	745,137,746		\$	718,613,869		\$ 26,523,878	3.7%
Other General Revenue Sources								
Other Miscellaneous Revenues		1,208,005			1,208,005	+	-	0.0%
Lottery Transfer		38,871,380			36,646,435		2,224,945	6.1%
Unclaimed Property		-			-	+	-	n/a
Total Other Sources	\$	40,079,385		\$	37,854,440		\$ 2,224,945	5.9%
Total General Revenues	\$	785,217,131		\$	756,468,309		\$ 28,748,822	3.8%

	YTD August Adjusted Revenues			YTD August Enacted Estimates			Difference	Variance
PIT Component								
Estimated payments	\$	14,645,707	a	\$	14,632,982		\$ 12,725	0.1%
Final payments †		18,167,255	b, c		18,934,569		(767,313)	-4.1%
Withholding		305,874,414			286,470,324		19,404,090	6.8%
Refunds and Adjustments		(47,194,419)	a		(24,788,427)		(22,405,992)	90.4%
Total	\$	291,492,957		\$	295,249,447		\$ (3,756,490)	-1.3%

† FY 2027 expected revenues are based on the estimates enacted in the FY 2027 budget. The estimates for personal income tax final payments, business corporation tax, financial institutions tax, insurance company gross premiums tax, sales and use tax, cigarettes and ENDS taxes, and departmental receipts were calculated using modified revenue flows to align expected revenues with the actual realization of revenues.

+ Set equal to actual amounts received.

Detailed notes on the following page

FY 2027 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Year-to-Date Estimate to Actual

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- ^a Included in the revenue items below are the amounts for net transfers between that account and all other accounts. No adjustments were made for these transfers.
 - personal income tax - \$(135,000)
 - business corporation tax - \$(4,837,285)
 - financial institutions tax - \$1,000,000
 - sales and use tax - \$4,134,285
 - cigarette tax - \$(162,000)
 - departmental receipts - \$(184,909)
- ^b Adds to personal income tax final payments \$2,797,215 in net revenues from pass-through entities made on behalf of shareholders received in YTD FY 2027 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- ^c Subtracts FY 2027 Rebuild Rhode Island reimbursements accrued back to FY 2026 as follows:
 - personal income tax final payments - \$873,193
 - business corporation - \$80,778
 - insurance premiums gross earnings tax - \$1,705,609
 - sales and use tax - \$728,665
- ^d Subtracts \$11,544,188 of FY 2026 hospital licensing fee payment(s) received in FY 2027 and accrued back to FY 2026.

FY 2027 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Monthly Estimate to Actual

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	August 2026 Adjusted Revenues FY 2027			August 2026 Estimate of Enacted FY 2027 Revenues †			Difference	Variance
Personal Income Tax	\$	158,966,088	a, b	\$	149,661,935		\$ 9,304,153	6.2%
General Business Taxes								
Business Corporation †		7,507,185	a, b		1,847,772		5,659,413	306.3%
Public Utilities Gross Earnings		285,088			(3,862)		288,950	-7,481.0%
Financial Institutions †		1,025,747	a		82,256		943,491	1,147.0%
Insurance Company Gross Premiums †		1,003,638			1,449,834		(446,197)	-30.8%
Bank Deposits		(19,888)			(99,357)		79,469	-80.0%
Health Care Provider Assessment		4,797,313			4,346,906		450,407	10.4%
Excise Taxes								
Sales and Use †		162,173,016	a		159,379,660		2,793,357	1.8%
Cigarettes, OTP, and ENDS †		9,791,190	a		10,346,799		(555,609)	-5.4%
Alcohol		1,963,189			1,768,149		195,040	11.0%
Controlled Substances		-			-	+	-	n/a
Other Taxes								
Estate and Transfer		3,356,434			8,760,347		(5,403,914)	-61.7%
Racing and Athletics		51,707			64,523		(12,815)	-19.9%
Realty Transfer		2,406,686			3,029,016		(622,330)	-20.5%
Total Taxes	\$	353,307,392		\$	340,633,976		\$ 12,673,416	3.7%
Departmental Receipts †	\$	20,208,187	c	\$	20,314,586		\$ (106,399)	-0.5%
Taxes and Departmentals	\$	373,515,580		\$	360,948,563		\$ 12,567,017	3.5%
Other General Revenue Sources								
Other Miscellaneous Revenues		942,083			942,083	+	-	0.0%
Lottery Transfer		38,871,380			36,646,435		2,224,945	6.1%
Unclaimed Property		-			-	+	-	n/a
Total Other Sources	\$	39,813,463		\$	37,588,518		\$ 2,224,945	5.9%
Total General Revenues	\$	413,329,043		\$	398,537,081		\$ 14,791,962	3.7%

	August 2026 Adjusted Revenues			August 2026 Enacted Estimates			Difference	Variance
PIT Component								
Estimated payments	\$	8,045,472	a	\$	7,550,530		\$ 494,943	6.6%
Final payments †		8,303,978	b		9,615,927		(1,311,948)	-13.6%
Withholding		155,279,584			144,402,374		10,877,211	7.5%
Refunds and Adjustments		(12,662,947)	a		(11,906,896)		(756,052)	6.3%
Total	\$	158,966,088		\$	149,661,935		\$ 9,304,153	6.2%

† FY 2027 expected revenues are based on the estimates enacted in the FY 2027 budget. The estimates for personal income tax final payments, business corporation tax, financial institutions tax, insurance company gross premiums tax, sales and use tax, cigarettes and ENDS taxes, and departmental receipts were calculated using modified revenue flows to align expected revenues with the actual realization of revenues.

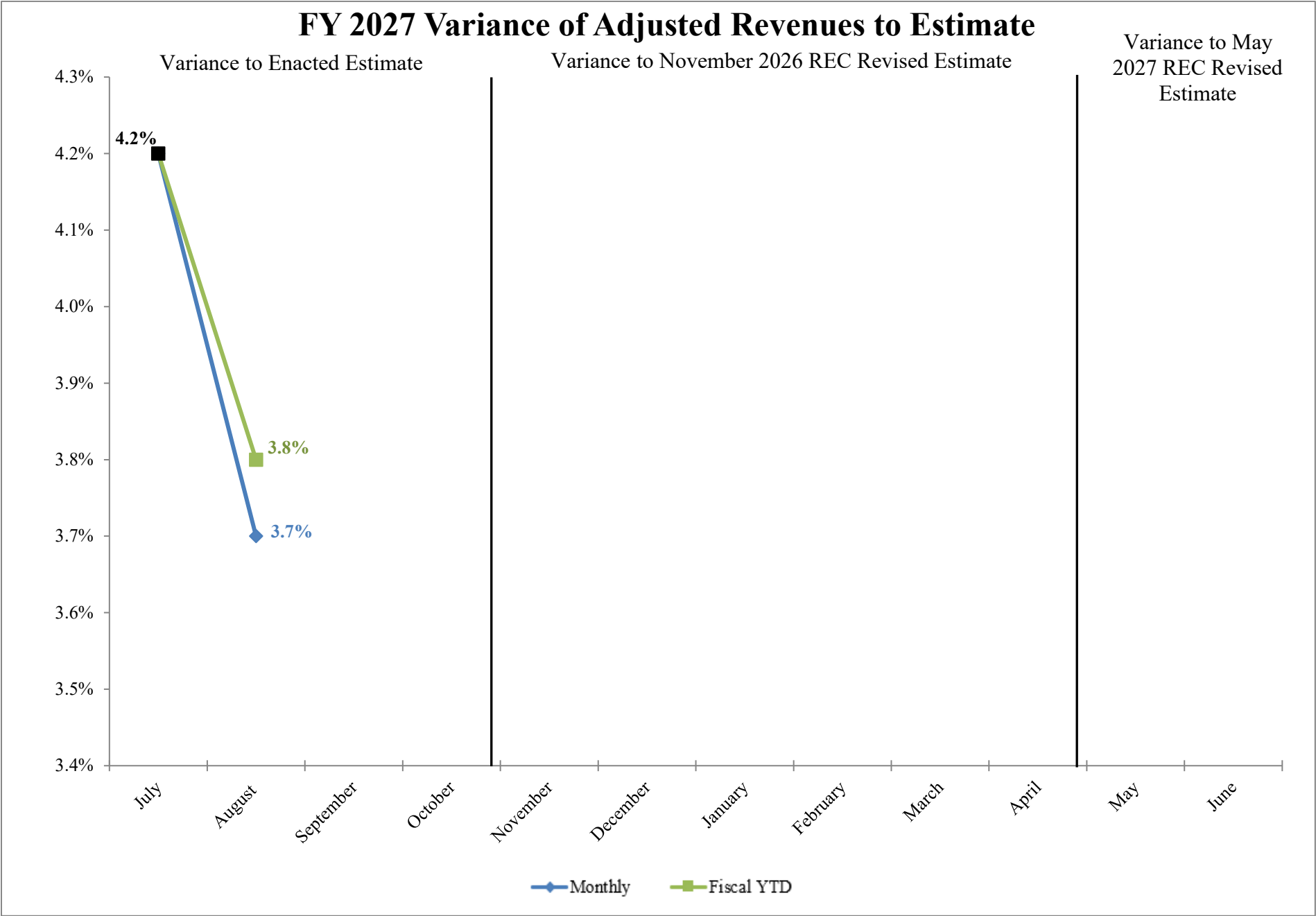
+ Set equal to actual amounts received.

Detailed notes on the following page

FY 2027 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Monthly Estimate to Actual

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- ^a Included in the revenue items below are the amounts for net transfers between that account and all other accounts. No adjustments were made for these transfers.
- personal income tax - \$(135,000)
 - business corporation tax - \$(865,000)
 - financial institutions tax - \$1,000,000
 - sales and use tax - \$171,000
 - cigarette tax - \$(171,000)
- ^b Adds to personal income tax final payments \$1,432,554 in net revenues from pass-through entities made on behalf of shareholders received in August 2026 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- ^c Subtracts \$1,254,291 of FY 2026 hospital licensing fee payment(s) received in August 2026 and accrued back to FY 2026.



Appendix

How to Interpret this Report

The purpose of the Revenue Assessment Report is to give readers a sense of how the state's general revenues compare to those that might be expected if the official revenue estimates were being met in a predictable way. Caution should be exercised when interpreting this report as actual revenues may vary significantly from historical patterns. In addition, it is important for the reader to understand that enacted and adopted revenue estimates are made on an accrual basis, not a cash basis. Revenue accruals are not determined until at least one month after the fiscal year-end in June. Thus, even if the assessment of actual fiscal year-to-date revenues trails the fiscal year-to-date revenue estimates, it is possible for the fiscal year-end accrual to make up any shortfall.

The complete methodology for determining the monthly revenue flows and law changes that impact general revenues can be found on DOR's website at <https://dor.ri.gov/about-us/divisions/revenue-analysis/fiscal-year-2027-state-revenue-data>.

Expected Monthly Breakdown of Revenue

Table A provides the average percentages used to determine expected monthly and fiscal year-to-date revenues for July. Details on how these monthly and fiscal year-to-date average percentages were calculated are included in the methodology document as noted above.

Table A. Aggregate Revenue Allocation Percentages by Month and Fiscal Year-to-Date					
Revenue Item	<u>Percent Received</u>		Revenue Item	<u>Percent Received</u>	
	Aug.	YTD		Aug.	YTD
Personal Income Taxes			Sales and Use Taxes	9.0%	17.9%
Estimated Payments	2.6%	5.1%	Cigarettes Taxes	9.2%	18.0%
Final Payments	1.6%	3.1%	Alcohol Excise Taxes	8.6%	18.6%
Withholding Payments	7.8%	15.5%	Estate and Transfer	10.3%	18.7%
Refunds/Adjustments	2.1%	4.4%	Racing and Athletics	9.2%	17.7%
Business Corporation Taxes	0.5%	3.5%	Realty Transfer	9.1%	23.4%
Utilities Gross Earnings Taxes	0.0%	0.0%	Departmental Receipts	6.2%	10.1%
Financial Institutions Taxes	0.5%	0.4%	Lottery Transfer	8.2%	8.2%
Insurance Co. Gross Premiums	0.8%	0.8%	Other Misc. Revenues	n/a	n/a
Bank Deposits	-1.7%	0.8%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	8.1%	16.0%			

The percent received for monthly and year-to-date departmental receipts is calculated excluding hospital licensing fee revenues, which are large and generally made only once in the fiscal year.

The lottery transfer does not begin in a given fiscal year until August, and fiscal year-to-date percentages reflect gaming activity from July through the prior month, while monthly percentages reflect the prior month's gaming activity. The unclaimed property transfer occurs in the adjustment period after the end of each fiscal year.

Other nuances in monthly revenue flows related to recent law changes are described in the methodology and law change document at <https://dor.ri.gov/about-us/divisions/revenue-analysis/fiscal-year-2027-state-revenue-data>.

FY 2027 Enacted Revenue Estimates

The FY 2027 estimates by revenue item as enacted in the FY 2027 budget are as follows:

Table B. FY 2027 Enacted Revenue Estimates by Major Revenue Item			
Revenue Item	Enacted FY 2027 Estimate	Revenue Item	Enacted FY 2027 Estimate
Personal Income Taxes		Sales and Use Taxes	\$1,780,362,121
Estimated Payments	\$289,000,000	Cigarettes Taxes	112,969,584
Final Payments	601,330,789	Alcohol Excise Taxes	20,600,000
Withholding Payments	1,854,000,000	Estate and Transfer	94,325,325
Refunds/Adjustments	(563,921,798)	Racing and Athletics	700,000
Business Corporation Taxes	383,316,963	Realty Transfer	33,300,000
Public Utilities Gross Earnings	123,173,717	Departmental Receipts	561,935,550
Financial Institutions Taxes	16,777,224	Lottery	447,900,000
Insurance Co. Gross Premiums	181,346,391	Other Misc. Revenues	19,000,000
Bank Deposits	5,700,000	Unclaimed Property	37,600,000
Health Care Provider Assessment	53,699,061		
Total General Revenues *			\$6,045,714,927
* The total general revenues estimate includes a personal income tax net accrual of \$(7,400,000).			